

Supplemental Form 496 Instructions for Nonprofits and other Multipurpose Organizations

Effective July 1, 2014, new reporting rules apply to a nonprofit or other multipurpose organization that makes independent expenditures.

Independent expenditure(s) made using “nondonor funds”

In addition to describing the type of expenditure made, under the new rules effective July 1, 2014, a nonprofit or other multipurpose organization that uses nondonor funds to make independent expenditures must also briefly describe in the Description of Expenditure field, the source of nondonor funds used. Examples of nondonor funds include:

- Investment income, including capital gains
- Income earned from providing goods, services, or facilities, whether related or unrelated to the multipurpose organizations program
- Sale of assets
- Other receipts that are not donations

Independent expenditure(s) made using donor funds

Under the new rules effective July 1, 2014, a nonprofit or other multipurpose organization that qualifies as a recipient committee and identifies donors using the “last in, first out” (LIFO) accounting method must only itemize contributors of *\$1,000 or more* instead of \$100 or more as required for donors that made a payment for political purposes as outlined in Government Code Section 84222. **Note:** If the funds used for an independent expenditure include both funds received for political purposes and LIFO funds, the Form 496 will list donors at both the \$100 and the \$1,000 threshold. See page 2 of the Form 496 instructions to determine what specific contributor information must be disclosed.

Examples:

A multi-purpose organization receives \$10,000 from donors for a specific political campaign. The organization makes independent expenditures of \$20,000, using the \$10,000 received specifically for political purposes and \$10,000 from the organization’s general membership dues account. The Form 496 will list the donor names that contributed \$100 or more toward the initial \$10,000 and will list the names of LIFO donors at \$1,000.

A multi-purpose organization made a \$40,000 independent expenditure using funds only from its general membership dues account. Since the organization does not qualify as a recipient committee, it is not required to list donors in Part 3.

For specific guidance, refer to the Multipurpose Organizations Reporting Political Spending fact sheet [\[link\]](#).